

ISO 31000 2018 TRANSLATED INTO PLAIN ENGLISH

5. RISK MANAGEMENT FRAMEWORK

5.1 PLAN THE ESTABLISHMENT OF YOUR RISK MANAGEMENT FRAMEWORK

1	Ask stakeholders to support the establishment of a framework.	DO	DN	NA	<i>A risk management framework is a set of components that support and sustain risk management throughout an organization. There are two types of components: foundations and organizational arrangements. Foundations include your risk management policy, objectives, mandate, and commitment. And organizational arrangements include the plans, relationships, accountabilities, resources, and activities you use to manage your organization's risk.</i>
2	Ask top management to support the establishment of a framework.	DO	DN	NA	
3	Evaluate your existing risk management practices and processes.	DO	DN	NA	
4	Identify gaps in your risk management practices and processes.	DO	DN	NA	
5	Establish a framework that meets your organization's unique needs.	DO	DN	NA	
6	Establish a framework that fills the gaps in existing practices and processes.	DO	DN	NA	
7	Consider how you intend to develop your risk management framework.	DO	DN	NA	
8	Consider how you're going to design your risk management framework.	DO	DN	NA	
9	Consider how you're going to fill gaps in your existing practices and procedures.	DO	DN	NA	
10	Consider how you're going to make risk management part of your organization.	DO	DN	NA	
11	Consider how you're going to integrate risk management into all significant activities.	DO	DN	NA	
12	Consider how you're going to build risk management into all decision making activities.	DO	DN	NA	
13	Consider how you're going to integrate risk management into all significant functions.	DO	DN	NA	
14	Consider how you're going to build risk management into all governance functions.	DO	DN	NA	
15	Consider how you're going to implement your risk management framework.	DO	DN	NA	
16	Consider how you're going to evaluate your risk management framework.	DO	DN	NA	
17	Consider how you're going to improve your risk management framework.	DO	DN	NA	

5.2 SHOW LEADERSHIP BY MAKING A COMMITMENT TO RISK MANAGEMENT

18	Ask your leaders to support a risk management framework.	DO	DN	NA
19	Ask your leaders to make a commitment to risk management.	DO	DN	NA
20	Ask oversight bodies to make a commitment to risk management.	DO	DN	NA

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21	Ask oversight bodies to understand the unique risks facing the organization.	DO	DN	NA
22	Ask oversight bodies to monitor the unique risks facing the organization.	DO	DN	NA
23	Ask oversight bodies to define the amount and type of risk that may be taken.	DO	DN	NA
24	Ask oversight bodies to align risk management with the organization's strategy.	DO	DN	NA
25	Ask oversight bodies to align risk management with the organization's culture.	DO	DN	NA
26	Ask oversight bodies to align risk management with organizational objectives.	DO	DN	NA
27	Ask oversight bodies to align risk management with organizational obligations.	DO	DN	NA
28	Ask oversight bodies to align risk management with voluntary commitments.	DO	DN	NA
29	Ask oversight bodies to be accountable for overseeing risk management.	DO	DN	NA
30	Ask them to ensure that risks are understood throughout the organization.	DO	DN	NA
31	Ask them to ensure that risks are communicated throughout the organization.	DO	DN	NA
32	Ask them to ensure that risk management methods are communicated.	DO	DN	NA
33	Ask them to ensure that risk management is integrated into all activities.	DO	DN	NA
34	Ask them to ensure that risk management systems are implemented.	DO	DN	NA
35	Ask them to ensure that risk management systems are operating effectively.	DO	DN	NA
36	Ask them to ensure that risk is properly evaluated when setting objectives.	DO	DN	NA
37	Ask them to ensure that risk is properly managed when achieving objectives.	DO	DN	NA
38	Ask oversight bodies to communicate the value of risk management.	DO	DN	NA
39	Ask them to communicate the value of risk management to the organization.	DO	DN	NA
40	Ask them to communicate the value of risk management to stakeholders.	DO	DN	NA
41	Ask top management to make a commitment to risk management.	DO	DN	NA
42	Ask top management to align risk management with the organization's strategy.	DO	DN	NA

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43	Ask top management to align risk management with the organization's culture.	DO	DN	NA	
44	Ask top management to align risk management with organizational objectives.	DO	DN	NA	
45	Ask top management to align risk management with organizational obligations.	DO	DN	NA	
46	Ask top management to align risk management with voluntary commitments.	DO	DN	NA	
47	Ask top management to ensure that appropriate risk criteria are developed.	DO	DN	NA	<i>Risk criteria</i> are terms of reference and are used to evaluate the significance or importance of your risks. They are used to determine whether a specified level of risk is acceptable or tolerable. <i>Risk criteria</i> should reflect your organization's values, policies, and objectives, should be based on its external and internal context, should consider the views of stakeholders, and should be derived from standards, laws, policies, and other requirements.
48	Ask them to ensure that risk criteria are communicated throughout the organization.	DO	DN	NA	
49	Ask them to ensure that risk criteria are communicated to all relevant stakeholders.	DO	DN	NA	
50	Ask top management to communicate the value of risk management.	DO	DN	NA	
51	Ask managers to communicate the value of risk management to the organization.	DO	DN	NA	
52	Ask managers to communicate the value of risk management to stakeholders.	DO	DN	NA	
53	Ask top management to be accountable for managing risk management.	DO	DN	NA	
54	Ask them to ensure that risk management is integrated into all activities.	DO	DN	NA	
55	Ask top management to monitor the unique risks facing their organization.	DO	DN	NA	
56	Ask top management to encourage personnel to systematically monitor risks.	DO	DN	NA	
57	Ask your leaders to establish a risk management framework.	DO	DN	NA	
58	Ask them to develop a framework that meets the organization's needs.	DO	DN	NA	
59	Ask them to prepare a general risk management policy statement.	DO	DN	NA	
60	Ask them to define their general approach to risk management.	DO	DN	NA	
61	Ask them to prepare a general risk management plan of action.	DO	DN	NA	
62	Ask them to make people accountable for managing risk.	DO	DN	NA	
63	Ask them to assign risk management responsibilities.	DO	DN	NA	
64	Ask them to assign responsibilities at all appropriate levels.	DO	DN	NA	

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65	Ask them to delegate risk management authorities.	DO	DN	NA
66	Ask them to delegate authorities at all appropriate levels.	DO	DN	NA
67	Ask them to allocate all required risk management resources.	DO	DN	NA
68	Ask them to monitor the application of their risk management framework.	DO	DN	NA
69	Ask them to ensure that it remains appropriate to the organization's context.	DO	DN	NA

5.3 MAKE YOUR ORGANIZATION'S PERSONNEL RESPONSIBLE FOR MANAGING RISK

70	Make risk management an integral part of your organization's culture.	DO	DN	NA
71	Ask everyone in your organization to be responsible for managing risk.	DO	DN	NA
72	Ask your governance personnel to be responsible for managing risk.	DO	DN	NA
73	Ask them to be responsible for making risk management part of governance.	DO	DN	NA
74	Ask them to be responsible for making it part of the organization's purpose.	DO	DN	NA
75	Ask them to be responsible for making it part of the organization's direction.	DO	DN	NA
76	Ask them to be responsible for making it part of the organization's strategy.	DO	DN	NA
77	Ask them to be responsible for making risk management part of management.	DO	DN	NA
78	Ask them to make management accountable for implementing risk management.	DO	DN	NA
79	Ask your management personnel to be responsible for managing risk.	DO	DN	NA
80	Ask them to be responsible for making risk management part of management.	DO	DN	NA
81	Ask them to make risk management part of the organization's roles.	DO	DN	NA
82	Ask them to make risk management part of the organization's policies.	DO	DN	NA
83	Ask them to make risk management part of the organization's objectives.	DO	DN	NA
84	Ask them to make risk management part of the organization's operations.	DO	DN	NA
85	Ask them to make risk management part of the organization's processes.	DO	DN	NA

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86	Ask them to make risk management part of the organization's practices.	DO	DN	NA	
87	Ask them to make risk management part of the organization's rules.	DO	DN	NA	
88	Ask your rank-and-file personnel to be responsible for managing risk.	DO	DN	NA	
89	Use iterative methods to build risk management into your organization.	DO	DN	NA	
90	Make sure that your iterative methods meet your organization's needs.	DO	DN	NA	
91	Make sure that your organization's methods are compatible with its culture.	DO	DN	NA	

5.4 DESIGN YOUR ORGANIZATION'S UNIQUE RISK MANAGEMENT FRAMEWORK

5.4.1 CONSIDER YOUR CONTEXT WHEN YOU DEVELOP YOUR FRAMEWORK

92	Consider your organization's context as you design your framework.	DO	DN	NA	
93	Examine and understand your organization's external context.	DO	DN	NA	An organization's <i>external context</i> includes all of the external environmental parameters and factors that influence how it manages risk and tries to achieve its objectives. It includes its external stakeholders, its local, national, and international environment, as well as key drivers and trends that influence its objectives. It also includes stakeholder perceptions, values, and relationships, as well as its social, cultural, political, legal, regulatory, financial, technological, economic, natural, and competitive environment.
94	Consider external influences during framework design.	DO	DN	NA	
95	Consider external stakeholders during framework design.	DO	DN	NA	
96	Examine and understand external stakeholder needs.	DO	DN	NA	
97	Examine and understand external stakeholder values.	DO	DN	NA	
98	Examine and understand external stakeholder perceptions.	DO	DN	NA	
99	Examine and understand external stakeholder expectations.	DO	DN	NA	
100	Examine and understand external stakeholder relationships.	DO	DN	NA	
101	Etcetera ...	DO	DN	NA	

Now that you've seen a sample of our approach, please consider purchasing our complete ISO 31000 2018 Translated into Plain English (Title 31). If you purchase our plain English standard, you'll find that it's integrated, detailed, exhaustive, and easy to understand. We guarantee it. Title 31 comes in both MS Word and pdf file formats.

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